511 most bankrupt countryside in Asia is the Chinese. The worst crisis of over-population China has yet had to face has been accompanied by a breakdown of traditional ideas and traditional authority so complete as to lead to a state of near anarchy."[2]

511 182 The characteristic way of life of the peasants has been slowly disintegrating under manifold pressures. In prosperous periods in the past a delicate balance of human and economic factors fostered a crowded, conformist, but on the whole harmonious village life. Recent decades have seen the old harmony replaced by tension and a predatory struggle for survival. And, despite the isolation of most villages, ideas and ideals from the West have slowly undermined the authority of the older mores and customary laws.

178 Despite all the fissures that have developed, it is well to remember that peasant life everywhere has a tremendous inertia, that it is incredibly resistant to all the forces of change. Thus much of the sweeping change that occured in city life under comparable pressures did not occur in the peasant villages.

527 262 The main economic and social unit of the village is the family and a special study is devoted to that subject. Here we should sketch the rhythm of village life and something of its annual cycle of activity.

[Footnote No. 1 cont'd.] "... acres are actually in crops.

2. Maurice Zinkin, Asia and the West, London, 1951, p. 111.

527
262 The New Year holiday, for the people of China the first fifteen days of the year, is the main period of leisure for the villagers. Food is prepared in advance, and even the women may rest from their cooking during the first days of the holiday. The town is decorated with nien-hua (New Year's pictures) and ch'un-lien (paired New Year's Day mottoes). Visiting friends and relatives, gambling, eating the best food of the year, wearing the best clothes, and indulging the children make this the most festive period in the year. For many families it is the only time in the year when they can afford to eat meat dishes. The special dishes of the season vary from province to province. In a northern province such as Shantung, chiao-tzu, meat dumplings, are particular favorites; as one moves south, rice-based delicacies such as nien-kao, "year cakes," figure more prominently in the New Year's feasts. Besides being a time of celebration, the New Year is also the time for settling accounts, and, for many farmers there will be little left for celebration when the creditors have been dealt with.

221 The regular work of the agricultural year beings immediately after the New Year. In Shantung the farming cycle is governed by the need to conserve water and by the demands of the principal crops: wheat, millet, kaoliang. From the Yangtze valley south through the East China Region, the year is phased by the steps in wet rice cultivation. In early spring, the Shantung farmer begins his year-long effort to conserve moisture that has accumulated in the soil during authumn and winter rains. About half the fields are then in winter fallow awaiting the spring

369 villages. Town and citydwellers -- perhaps 20% of China's population -- kept their ties with their native villages. returned there whenever possible and many saw commercial activity in the town only as means to the acquisition of sufficient wealth to buy farming land and return [162] to the village.[11] The town population, then. was mostly made up of artisans and peasants plus a small number of landlords retired officials county functionaries and established merchant [634] families. The county seats (hsien capitals) were the centers for tax collection and administration of the surrounding farm-villages and also served as market towns where the peasant might sell his crop and purchase the manufactured goods he could not produce.

369 511 Town life for the average artisan was as meager as that of his relatives in the village. Long hours hard work low pay. few holidays were the lot of most and living conditions were generally poorer and more crowded than those [466] in the villages. Proprietors of many shops required their employees to live on the premises so that they seldom visited their families. The • [262] diet of the town dweller was as poor as that of the poor farmer -- mostly cereals vegetables, and some condiments and meat and fruit on 369 holidays only. Brief holidays were allowed at the New Year the Ch'ing-ming festival. the 527 mid-Autumn festival, and the Dragon Boat festival. On these occasions, townspeople usually tried to return to their villages; if this was impossible they enjoyed such delicacies as they could afford and strolled the streets, perhaps

11. Cf. Cressey. Land of the 500 Million, pp. 18-19. The 1953 Communist census credits cities and towns (undefined) with 13.26% of the Mainland population. Ibid., p. 18. [p.218]

2: Murphy G-4 (no date) 1953 AF15 East China AF15

have been during the last 1,000 years. Improvements in transport facilities during the same period were slight. As stated above in Chapter Seven, the only railway lines serving Shanghai during the twentieth century were those to Nanking and Hangchow (opened in 1908 and 1909 respectively). They have never become large volume carriers on a Western scale. Highway development contributed even less to the total transport resources of the area. For a densely populated, highly productive area which also contains several large cities dependent in varying degrees on industry, this transport network is minimal.

The Shanghai Rice Market

Rice is the basic food commodity for Shanghai. A sampling survey of workers' families in Shanghai by the Bureau of Social Affairs during 1929 and 1930* [12] showed the average worker's diet (by percentages of total money spent on food) to be 53 per cent cereals (of which rice was 90 per cent, wheat 5 per cent, and other cereals 5 per cent), 18 per cent vegetables and beans, 16 per cent meat, fish and eggs, 8 per cent condiments, 3 per cent fruit, and 2 per cent miscellaneous. Since cereals may be presumed cheaper by weight than the other items in the list (as well as having a higher caloric value by weight unit), the importance of rice in the diet by weight (which is the leading consideration for transport problems) is thus greater than these figures indicate. Fortunately, statistics are more readily available for rice than for any of the other food items.

While no complete figures exist to show the rice supply pattern, trading in rice on the Shanghai market was recorded in considerable detail during most of the 1920's and 1930's, and an analysis of the published market reports provides a relatively clear quantitative picture of the main outlines of the city's food supply. The monthly reports issued by the General Chamber of Commerce of Greater Shanghai list supplies of rice entering the city according to source.[13]

* Chiang I-shih, Production, discusses regional differences in the consumption of cereals as between south China, the Yangtze region, and north China, and includes a table showing these differences for the major cereals, as of 1936. For the Yangtze region as a whole he estimates that rice formed 40 per cent of the cereal diet, wheat 20 per cent, minor cereals 14 per cent, and other food crops 26 per cent.

2: Murphy G-4 (no date) 1953 AF15 East China AF15

picul (the Shanghai rice picul during this period equalled 172 pounds); b. (out-province rice) CN $12.40 per picul; c. (foreign rice) CNC$12.30 per picul.[17] At these levels the composition of the rice supply tended to remain stable, with local rice accounting for over 80 per cent of the total. Shanghai in general prefers to eat local rice even when its price rises slightly above that of foreign rice, as usually happens during the local planting season and at certain other times (see below). Foreign rice is a different type from the local product and there is prejudice in Shanghai against its taste and cooking properties. Any great change in these relative prices, however, upsets the balance. When foreign rice is relatively cheap, its Shanghai sales are large, but as fresh supplies continue to be ordered by the merchant groups, the Saigon price rises and the normal price and supply situation is restored.

2. The planting season for rice in the delta area, which lasts from early May to early June. During this period, movements of rice to Shanghai from the delta virtually cease, and the city draws on rice it holds in storage, plus foreign imports. The fact that the planting season usually coincides with the wet period of the plum rains means that the Shanghai price of rice rises sharply from late May to mid-June. New supplies of local rice come into the Shanghai market in early July (i.e., from the previous year's crop, which has been stored in the local collecting centers but which is not moved to Shanghai during the planting season, the greatest peak labor period of the agricultural year). The Shanghai price regains its normal level as a rule before the end of the month.

3. The weather. Hot and/or humid weather tends to rot stored rice, and thus depresses the price by forcing sales, or stimulates it by jeopardizing what is stored. Drought seldom affects harvests seriously in the delta with its network of canals to supply irrigation water. The greatest effect of rain is on the day-to-day movement of rice from local production areas to the Shanghai market. The delta waterways are easily flooded over their banks by rain and wind, and by both in combination with the tide in the stretches which receive tidal inflow from the Yangtze or the Whangpoo.*

* This might be deduced from the discussion of the delta above in Chapter Three, and it is referred to specifically in the two journals cited for this account of the rice

2: Murphy G-4 (no date) 1953 AF15 East China AF15

for sale in Shanghai is not only convenient but environmentally advantageous.

How much of the city's supply of vegetables comes from its market-garden area (a day's water travel, or about a 30-mile radius from the city, an area where vegetables rival rice as the leading crop), and how much from greater distances is difficult to determine with any accuracy in the absence of published records. The principal vegetable market in Shanghai is along both banks of Soochow Creek near its mouth, which suggests that vegetables come into the city by water from its immediate environs. Merchants and vendors there, including many farmers who bring their vegetables into the city by sampan for daily or twice weekly markets, speak only of the near neighborhood of the city as the source of their wares. About 15 square miles within the Municipality of Greater Shanghai itself are occupied by vegetable crops,[31] which can take the fullest advantage both of convenience to the market and of favorable environment in this fertile flat delta land. Vegetables undoubtedly come into the city in large amounts from greater distances, although it is unlikely that bulk shipments of such perishable commodities would move beyond the delta. The railways do not carry them in any significant quantities.[32]

Although its place in the Shanghai diet is relatively minor (see above p. 139), wheat is a major food commodity for the city because of the prominent place of the flour milling industry there. While over two-thirds of the flour milled is exported, principally to north China ports, the wheat must first be brought to the city even though most of it is not eventually consumed there.

Shanghai drew its domestic wheat largely from Kiangsu. Only a minor crop within the fertile triangle, wheat is of much greater importance in the drier and colder areas of Kiangsu north of the Yangtze, and in the western parts of the delta. This production, plus the wheat raised almost entirely for sale as a dry-field winter crop within the fertile triangle, can be carried to Shanghai from nearly every producing area via the water network of the delta, including the Yangtze itself. While the delta area is by no means a leading wheat producer, it is wholly unique among wheat areas in China in its cheap and easy transport connections with a large urban

2: Murphy G-4 (no date) 1953 AF15 East China AF15

cumstances interfering with inland transport made inaccessible locally.[34]

Other food commodities have a relatively higher unit-value by weight, and are therefore able to move to the city over greater distances, in some cases independently of the water network. Fruit, largely citrus, comes in principally from Chekiang which is just south of the delta but in many areas cut off from water routes by high relief. For this comparatively long-distance overland shipping, the fruit is packed in pine boxes and wrapped in sacking as a protection against frost. In the rugged areas of Chekiang it is carried by porter, and is transferred to junk or sampan when it reaches the edge of the delta.[35] Other fruit sources for Shanghai are even more distant, but most of them can ship to the city over at least part of the route by sea. Grapes and melons come to Shanghai from Hopeh and Shansi, oranges and lichees from Kwangtung and Fukien, and apples from Liaoning (southern Manchuria).[36]

Fresh meat is sold in the city only in limited quantities and is supplied (except for the tiny foreign consumption before 1941, which drew on refrigerated shipping from New Zealand and Australia) almost entirely from the immediate market-garden area. Fish and eggs are far more important elements in the average Shanghai diet than fresh meat, but some cured or salted meat is available from greater distances. Shanghai's main supply of cured hams comes from Chekiang, via Hangchow, and from Kiangsu and Anhwei by Yangtze steamer. Substantial amounts also come from as far as Szechuan and Yünnan, where the making of famous high-quality hams has long been a specialty. The tremendous cost of transporting hams from Yünnan does not apparently make their price prohibitive, although it does limit the market for them.[37] High unit-value is of course the basic factor.

Eggs have become industrial raw materials, in addition to their part in the city's diet, with the development of freezing and drying plants to prepare eggs for export. Fresh eggs are also exported from Shanghai in cold storage to places as distant as the United Kingdom. The Shanghai supply for this varied market is drawn from surprising distances. Within Kiangsu, eggs come to the city from all but two of the *hsien*.[38] These two are in the northernmost part of

2: Murphy G-4 (no date) 1953 AF15 East China AF15

the province where arid north China fairly begins, and where water transport facilities are limited. Eggs also come to Shanghai from places up the Yangtze valley as far as Hankow, transported in bamboo crates holding from 500 to 1000 eggs and carried entirely by water. 40 per cent breakage in transport is given as an average figure.[39] This apparently does not make the longer hauls uneconomic, and implies that cheap transportation is an important factor.

Fish, however, after cereals and vegetables, is the most important protein-supplier in the city's diet, and Shanghai handles one third of the fish and marine products marketed in China annually for which there are market records. Seasonal variations in the catch and lack of adequate cold storage facilities make for violent fluctuations in the price of sea fish, in the case of one common species from a yearly low of CNC$3 per *shih* (200 pounds) to a yearly high of CNC$50 per *shih*. A good catch is often disastrous to the fishermen because it depresses the Shanghai price below cost, since in the absence of cold storage the fish must be sold within a few days.[40]

Shanghai's fishing fleet in the 1930's was about two-thirds sailing junks and one-third steam trawlers, both of which packed their catch at sea in iced barrels. In summer, spring, and autumn the packing preserved the fish for only about two days in this climate, and a premium was put on quick marketing. The fishing boats were allowed only a limited amount of salt for preserving, in order to prevent smuggling abuses. The main fishing grounds off the coast of central China are approximately fifty miles to the seaward of the Chusan Islands, or about 140 miles from Shanghai, a good two days' run for the junks and not much less than that for the trawlers. The catches are of course not all made in one day, so that fish arriving in Shanghai might be as much as four or five days old and in a questionable state of preservation.[41] Small fast power boats from Shanghai met the fishing fleet at the fishing grounds when the catches were good and rushed the fish to market in the city, but this stratagem greatly increased the cost and did not remove the need for making an immediate sale.[42] Dried and salted fish comes to Shanghai mainly from small villages and islands along the coast of northern Kiangsu and southern Shantung, where it is pre-

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

CHAPTER VIII

FOOD AND NUTRITION

AT A TIME WHEN Shanghai is militarily occupied following the outbreak of Pacific hostilities, and its food supplies subject to willingness of the Japanese military to provide them, one is apt to think of the problem of food entirely in terms of whether or not there will be any at all. From the moment of the commencement of hostilities in August 1937, the question of food supply held the concern of the Settlement authorities. Two days after the first shot was fired in the Shanghai area, the Supplies Committee of the Shanghai Municipal Council met and through the intervening years dealt with the problem actively and continuously.

The problem at first was what the city would do when it was cut off from its hinterland, the rice-producing area; when fighting moved back into the provinces and destroyed the autumn rice crop; when rice boats would no longer bring rice to the city. In 1932, when there had been five weeks of fighting in the Shanghai area, rice boats had feared to come into the city, and trucks had been sent out to meet them beyond the fighting zone, to bring in needed food. Rice, which then usually sold at $10 to $12 per *shih* (172 pounds), rose to the high price of $17 to $18 because of fear of shortage, and fell with what at that time seemed a dramatic drop when the supplies were brought in and the feared shortage did not eventuate. Those who had planned the small adjustment needed in 1932 found that more drastic measures were necessary in 1937 and later.

The provinces nearest to Shanghai are rich rice-producing areas. Through part of Kiangsu province winds Soochow Creek, and from Chekiang province into Kiangsu flows the Whangpoo River, to meet in Shanghai. Down both of these waterways in normal times came a succession of large rice boats, and from Wuhu above Nanking on the Yangtse River larger steamers laden with grain. In general it was a simple trade. Rice was sent on consignment to rice merchants in Shanghai, and payment was later made to the interior

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

438 chiefly in the form of the city's cotton textiles, soap, cigarettes,
262 matches, and rubber shoes. In addition, through importing firms,
722 a certain amount of foreign rice arrived, usually from Indo-China; but Saigon rice was considered inferior, and Chinese rice was preferred when it was available.

It was obvious that when the city was surrounded by Japanese troops, its waterways could no longer be used for the transportation of rice. Immediately after the outbreak of hostilities the Shanghai Municipal Council placed orders in Saigon for 7,000 tons of rice, and chartered ships to bring it to the city. But because fighting was taking place across the Whangpoo River, the ships would not enter it, and it was necessary to send steel lighters by tug out into the Yangtse mouth to off-load the rice. This rice, stored in godowns all over the area south of Soochow Creek, was available when in November 1937, the expected severance of supplies from the interior occurred.

It was then hoped, as time went on and hostilities were removed further from the neighbouring provinces, that normal trade relations with the hinterland might be restored. For a time rice did come into the city in fair quantities. But increasing controls exercised by the Japanese military, who gave Japanese firms the privilege of collecting rice with reservation for military use, and increasing difficulties of obtaining rice in the growing districts due to various factors, by 1940 compelled Shanghai to rely almost entirely on rice imported from Saigon. The steep rise in cost of living in Shanghai dates from the commencement of dependence on foreign sources. It was tragic that Shanghai should be tied to foreign exchange in order to feed its population at a time when the exchange value of the Chinese national currency was falling.

511
439
722

Other factors soon intruded. Freight rates and insurance charges rose month by month following the outbreak of the European war and added their share to the increasing cost of imported rice. But the situation was to become even worse. During the autumn of 1940 Japan was engaged in gaining control of northern Indo-China, with the result that after early February 1941, no orders for rice would be accepted in Saigon until the Japanese demand for 700,000 tons had been met.

722
262
438

WHERE, THEN, WAS Shanghai to get rice? Renewed efforts to obtain rice from Chinese provinces near Shanghai failed. Prior to the sign-

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

ing of the treaty with Nanking on November 30, 1940, it was announced that high Japanese military authorities in Nanking had agreed that, subject to meeting the needs of the army and with certain other reservations, rice collection should be a function of the Chinese authorities. Actually little Chinese rice was made available to Shanghai.

There were ample stocks of rice in Burma, but there were no ships to bring it to Shanghai. This was well known, not only to rice dealers in Shanghai, but to the general public. Therefore, despite the presence of a large reserve supply in the warehouses of the city, the retail price of rice rose at an accelerating rate until in May 1941, as a result of private profiteering and public fear, it reached the till then unprecedented height of $145 per *shih*.

It can readily be understood that with such difficulties in feeding the Settlement, major emphasis had to be placed on ensuring supplies. Even though high prices were undesirable, it was important that there should be supply at any price. Rice riots have occurred more than once since 1937.

The distressing effects of high prices were illustrated by the practice of "rice sweeping" (and, indeed, the snatching of other commodities such as raw cotton) which became a frequent sight in the city as a consequence of the rising prices. When a truckload of rice halted at a traffic intersection, a dozen waifs, adult and adolescent, appeared from nowhere, moving like lightning. In a twinkling one or more rice bags were pierced with knives, and as the precious grain began to run out, it was scooped swiftly with the dust of the roadway into a receptacle. The "sweeper" would often disappear before any police could act. But if caught, he or she appeared next morning in the First Special District Court, that busy court which dealt with an average of 10,000 cases each month. Detention followed; but the need that prompted the snatching remain unfilled.

ALTHOUGH IN THE CRISIS of 1937 the Shanghai Municipal Council had intervened to bring rice to Shanghai, it had no desire to interfere with the normal trade in rice unless forced by circumstances to do so. When faced with the crisis in March 1941, therefore, the Council decided that it would charter ships, possibly with the assistance of the British Admiralty. Space could then be sold to rice importers. At the end of March the Council announced this intention and appointed a special committee of businessmen under

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

633 the chairmanship of one of its own members to deal with the
438 matter.

262 But it proved impossible to secure the desired ships, and the outlook for Shanghai appeared dark. The authorities were therefore much relieved when in April the Government of Hongkong requested the Shanghai Municipal Council to act as its agent in disposing of stocks of Rangoon rice which had been held in Hongkong as a reserve but could not be kept indefinitely without deteriorating. An arrangement was concluded whereby the Council agreed to receive enough for the Settlement's needs at a price which would enable the Hongkong Government to replenish its stocks through imports from Rangoon.

262 On April 26, 1941, when second-grade Saigon rice was quoted
435 at $126 per *shih* in the Shanghai rice shops, the Council announced
438 its intention to import Burmese rice from Hongkong. Speculators
633 who had been hoarding rice made last-minute efforts to sell at high levels. Prices rose steadily until May 3, when $145 was quoted for second-grade Saigon rice, but during the next fortnight they dropped, until May 17, when Council rice at $110 per *shih* was placed on sale in the retail shops. The "racket" for the moment was broken.

435 Ever since 1937, the Council's Supplies Committee had wrestled
633 with the question of price control. The rice trade appointed a
262 "Shanghai Rice Price-Fixing Committee" whose decisions could, according to Chinese Law, be enforced in the First Special District Court. During 1939 it fixed a price endorsed by the Council, of $40 per *shih*, which, however, was soon exceeded; and a "black market" developed where deals were consummated at prices considerably beyond this price. During 1940 the question of price-fixing generally was again exhaustively examined by a special sub-committee of the Supplies Committee. One result of its work was the adoption by the Council of measures requiring clear marking of the prices of daily necessities sold in the Settlement. The aim of this was to induce competitive selling on the part of vendors, and to permit the buying public to discover where goods were most reasonably priced. The Council, together with the French Concession administration, published regular price lists of necessities, also with the idea of informing the public where goods could be most reasonably purchased. In June 1940 the Council established

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

a Price Investigation Office within the Public Health Department in an effort to curb profiteering and to check abuses in connection with food supplies. After six months' intensive work, this Office recommended that price-fixing should not go beyond voluntary measures.[1] The report listed the following arguments against the introduction of compulsory price-fixing of basic commodities at that time:

1. The magnitude of the problem and the lack of means on the part of the Council successfully to enforce compulsory price fixing in the International Settlement, where so many different national laws apply.[2]
2. The present abnormally high cost of nearly all staple commodities, due primarily to the military occupations of the areas surrounding Shanghai resulting in various forms of interference with the normal influx of such commodities. Whether the interferences are due to military necessity is beside the point, because, in any case, no fundamental solution of the problem can be accomplished without the assistance and good will of the Imperial Japanese Forces.
3. The question of the value of the local currency. Its effect, directly on imported goods and indirectly on domestic products, is beyond any control measures the Council might wish to enforce.
4. The fact that the Council would be unable to fix reasonable profits for importers and wholesale dealers. Control of retail prices alone will always be of a petty nature as long as no shortage of supply exists. Business competition and ordinary common sense amongst the purchasing public should tend to render retail profiteering relatively insignificant.
5. Should it be decided to fix maximum prices both for markets and shops, two or perhaps three different prices would have to be fixed for identical products in accordance with the location, class and overhead expenses of the various shops.

THERE WERE SEVERAL efforts to make staple foods available to poorer sections of the community at less than ruling prices during the period prior to the outbreak of Pacific hostilities in 1941. The "Shanghai Rice Cheap Sales Committee," composed of senior

[1] There was some basis for such a recommendation, even though the situation was such that control was necessary. In Shanghai where many nationals had extra-territorial rights, the means to secure compliance through national consular courts were difficult to find. The Council was of course quite unable to control the purchasing power of the Chinese currency.

[2] In October 1941 the Provisional Council, acting under new powers conferred on it by the Ratepayers in April 1941, passed a Byelaw aimed to control profiteering and hoarding. A Municipal Byelaw is enforceable against nationals of all countries, and overcomes the difficulty of differences in national laws.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

435 members of the Chinese community, purchased broken rice and
● 262 sold it through rice shops to the needy through eight periods of
633 several weeks each. A total of 223,200 bags was distributed, the organisation making a contribution of more than two million dollars, the difference between the cost of the rice and the returns through sales at lower prices. In a similar effort to supply food to the poor, from February 1940 onward, the larger Chinese flour mills made available several thousand bags of flour daily at considerably less than the market price, to be sold in small quantities, also through shops regularly selling flour. More than two and a half million bags of flour were thus provided. Several importing firms also played their part in handing over ten per cent of all incoming flour consignments, totalling 185,000 bags, to reliable dealers for sale to actual consumers. Important as these efforts were they could not ease to any great extent the difficult situation.

741 The very substantial arrivals of rice and wheat from the Amer-
262 ican Red Cross for relief purposes also played their part. This
146 grain was distributed to organisations caring for numbers of needy people. Many refugee camps, hospitals, and institutions caring for children were the recipients of this food. The form in which the wheat came proved to be particularly suitable. It was "cracked wheat," wheat submitted to the first processes of milling only, consisting of the whole grain merely cracked. In consequence the precious germ of the wheat was still present, containing within it the important vitamin B complex which is significant in nutrition and in the prevention of such recognised dietary deficiency diseases as beriberi. The nutritional results for those fortunate enough to receive it were dramatic. Instead of gross signs of deficiency and the less dangerous but serious ma[illegible]trition which were everywhere prevalent, by comparison a glowing health appeared in institutions using the cracked wheat, though it could not provide all the needed protective foods.

435 In August 1941, the Chinese Government ruled that foreign
633 exchange would be obtainable only through its Stabilisation Board.
439 It then appeared that an instrument might become available which
262 would give the Council actual power to control prices of imported staple products other than rice which was already controlled through the agreement with the Hongkong authorities. The Board was sympathetic to the view that exchange for essential commodities

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

should be granted only through the Council; and the Council in turn would allot it only to those merchants who would sell to retailers at a price fixed from time to time by the Council. As a means to control the final sale to the people, the Council sought and obtained from the Consular Body approval of a Byelaw empowering it to control prices at retail. On November 9, 1941, a Proclamation fixed the retail price of all imported rice at $130 per *shih*. The registration of all stocks of rice and flour was called for, and all movement of these commodities without a permit was forbidden as a means to keep them under control.

435 633 439 262

THIS WAS THE FOOD situation when Pacific hostilities supervened on December 8, 1941. It was fortunate that controls over essential commodities had begun, for there was thus in being the nucleus of what was, within six months, to become an extensive organisation controlling the issue and price of rice, flour, and other commodities. The Council had even, before December 8, examined in some detail what would be involved in rationing.

633 262 435 439 434 722

Soon after the opening of 1942, the Council issued a notification requiring holders of stocks of imported rice and of flour to deliver them against delivery orders issued by the Council, thus requisitioning at a fixed and fair price the stocks which the city held. It proved fortunate that in the early months of 1941 the hope of gain had induced many merchants to import large stocks of rice, for these proved sufficient to meet the needs of the Settlement and Concession at the reduced consumption rate required by the Japanese authorities during the first five months of the year. Indeed, in this outcome lay some justification for the lack of earlier rigid price controls which might have acted as a deterrent to importers. Stocks of native rice were not taken into consideration since, as has been shown above, the Japanese military had controlled the collection of native rice for the previous two years, using it for their own purposes and allowing virtually none to reach Shanghai.

The methods used in the spring of 1942 for the husbanding of precious stocks of imported rice were: reduction in the number of shops licensed to sell rice, fixing the number of days on which rice could be bought at three each week, limiting the selling hours on these days and reducing the amount of each sale to one *shun* (1.72 pounds) to any one person. There were in consequence long rice

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

633 queues, and the great urge to obtain rice and fear of being without
262 this staple caused those standing in them to crush closely against
435 the next in line. There were frequent cases of injuries despite the
439 efforts of the police to control the lines. Because of this situation,
434 "rice rustlers" stood in the queues, securing the amount permitted
722 to be bought, which they then sold at more than the official price. It was a relief when the plan for the issue of rice ration tickets finally was approved by the Japanese authorities and was put into effect in July 1942. The distressing rice queues disappeared.

The price of rice rose steadily in the months after the institution of control. The difficulty of getting rice in the queues induced farmers in the nearby countryside to smuggle in native rice which was sold at high prices up to CNC$550 per *shih* of 172 pounds. The Japanese authorities requested the Council to forbid the movement of native rice in the Settlement, as a means, it was claimed, to bring down the price in the provinces. The Japanese authorities had to buy rice there, and, it was argued, the high prices ruling in the city induced higher prices in the provinces. It was contended that Shanghai's future rice supply, when the stocks of imported rice should be finished, must come from the provinces, and it would be to the ultimate advantage of the Settlement population if the purchase could be on reasonable terms. It was known, however, that the native rice must be considerably higher in price than the imported rice when it finally came to be supplied, and therefore at intervals the price of imported rice was raised to ease the ultimate transition to the native rice price, and to build up a fund in the Council's treasury to permit native rice to be sold at a loss if need be. Japanese authorities made available some, but not sufficient, rice from May 1942, when the stocks of imported rice were used up.

435 The fixing of the saleable quantity and of the price of rice and
633 flour and flour products such as noodles, *ta ping* or big flour cakes,
262 and many other items was only part of the emergency measures
511 undertaken to secure essential commodities. Before Pacific hostilities developed, through an Association of Importers and Manu-
722 facturers, the prices of several hundred packaged goods, foods and drugs chiefly, were fixed. Fixing of the prices of coal and coal briquettes followed. Prices for milk were declared. Stocks of tinned milk were requisitioned and kept for children and invalids. It was

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

a matter of regret that control of vegetable oils, so important in the cooking of a Chinese family, could not be exercised by the Council. The Japanese regarded these commodities as materials of war. But stocks found their way uncontrolled into the market. In the case of sugar also, the Council was not permitted by the Japanese authorities to exercise controls.

The cost of living continued to rise despite the efforts of the Council to control the prices of the most significant items as indicated in the preceding paragraphs. The rise was particularly evident when, toward the end of May, Chinese National Currency depreciated day by day till two national currency notes were equal to one Central Reserve Bank note issued by the Nanking Chinese authorities. Prices then naturally rose in terms of Chinese National Currency. When, in June, it was announced by the financial authorities that Central Reserve Bank notes would henceforward be the only legal currency, most shopkeepers merely altered the enhanced National Currency prices unchanged into prices expressed in Central Reserve Bank notes, automatically doubling them. The Council attempted to halt this process by issuing a notification that prices should not exceed those of the last week in May, but with little success. Shopkeepers claimed that replacement costs would exceed the prices of the end of May.

It became apparent therefore that extensive machinery to examine the fair selling prices of a wide range of commodities must be set up. Prices for many food items, including milk, were carefully examined: the selling prices for woollen, silk and cotton cloth of standard grades, and of shoes, were studied: and many other items and services came under close scrutiny.

To enforce selling at official prices, the selling of permitted quantities, to penalise those who refused to sell, who did not display price tags, who moved goods without a permit or without a valid permit, or who did not comply with other emergency regulations, some enforcement machinery had to be set up. For a time after December 8, 1940, the Court, formerly staffed by Chungking-appointed judges, did not function. Later it was taken over by Nanking authorities. But enforcement of emergency requirements could not await the re-opening of the Court, nor, it was felt, could the already overworked Court handle the many cases of infraction of new regulations. Accordingly an enforcement machinery was

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

dietary-deficiency disease among the 75 workers fed in the kitchen, while many young workers in neighbouring factories acting as the scientific controls, were suffering from disease.

The country habit of storing rice in the husk, and dehusking only that portion which is necessary for the food of the family during the day, no longer holds for city life. Rice is dehusked in the country and transported husked and milled to the city to save transportation costs, and because highly milled rice keeps well. After long storing, however, residual fats present become rancid, and in order to make the rice palatable, it must be washed. First with the milling and later with the washing disappear the essential vitamin contents which prevent dietary-deficiency disease. The experiment was designed to prove that, if rice were stored in the husk, and only milled immediately prior to use, it was unnecessary to wash it, and the vitamin content, therefore, remained to check the onslaught of deficiency disease. No other change from normal food eaten in factories was made in the diet. No additional vegetables or fruits were given. Reliance was placed only on prevention of loss of vitamins in the rice.

The intention had been to make the kitchen the nucleus of a district food service which would apply the results of the study on a wider scale as a demonstration. It was ironic that war should have interrupted the experiment, and that it should not only have become impossible to make any application of the important facts demonstrated in the experiment, but that stocks of Chinese rice, milled or unhusked, should virtually disappear from the Shanghai market, and that the city should have to depend for the ensuing five years on imported rice, all husked, and very high in price.

It might be thought that, with the price of rice soaring out of all bounds, factory owners who supply food to their workers would reduce the quantity of rice supplied, mix it with other cereals, or vary it with beans. But both management and workers have a mistaken idea that, if at all possible, the usual number of bowls of rice must be provided, whatever happens to the "side dishes" of bean curd, vegetables, fish or, rarely, meat. In consequence, expensive imported polished de-vitaminised rice continued to be eaten in former quantities. If the "side dishes" were reduced, as they were in size and variety in order to decrease costs, this last source of nutrients also disappeared. It is small wonder, then, that by 1941, and

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

before the even worse situation following Pacific hostilities, signs of deficiency disease were apparent even among workers fortunate enough to have full-time employment in factories.

There is much work for the Shanghai authorities of the future to do in the matter of food. The Public Health Department's long history of supervision of the city's food supply, its war against flies and fly-borne diseases, has represented one phase of the food issue. The Supply Committee's efforts to obtain actual supplies represents a second. Instruction, particularly of employers, in the nutrition aspects of food supplied to workers is a third necessity. The food intake of workers in certain factories where workers are both housed and fed has been analysed in the past and found to be woefully lacking. The attention of certain managements was called to this situation, and some improvement resulted.

The managements of 16 factories where doctors or nurses are employed were induced to keep records of food supplied with a view to seeing how near it came to nutrition standards. In 37 other plants also records were kept. Through these means there should in future be a decrease in dietary-deficiency diseases. Though the provision of food as part of earnings is to be deprecated, it is possible by this means to control for his good the worker's food much more easily than if individual housewives have to be taught what to do. On the other hand, unless the group feeding is right feeding, a whole working force can develop deficiency diseases. In the sense that workers had no option in many cases but to accept the food which the employers provide, it can be said that where deficiency disease resulted therefrom their wage was in fact disease.

THE NECESSITY FOR the education of management, workers, and the public generally in the foods which should be eaten to ensure health and prevent frank deficiency diseases was recognised by the Division. A film was in the making when Pacific hostilities caused suspension of the effort. Two western industrial enterprises and one Chinese had agreed to provide the $10,000 necessary for the film production. A food exhibit had been planned in co-operation with the Chinese Medical Association to take place in the industrial district. It was designed to demonstrate through graphic means the results of wrong feeding. The public would well be able to recognise in pictures the gross deficiency diseases which they

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

for playgrounds whenever through building demolition or some other chance an area might be temporarily cleared.

The financing of children's institutions in a time of rapidly rising costs proved difficult. Some were stimulated at times to make efforts to improve the diet. "An egg a child a week," "some oil each day" have been aims which in some instances have been met, only to find that the cost of eggs has doubled, and that of oil trebled, so that the former ration again became the rule. There was felt to be a need for the organisation in Shanghai of a Children's Community Chest, when the citizens would be challenged to give largely and generously to its children, and all organisations caring for children might benefit. Leadership in the community to better the situation of its children was not lacking, as the extensive services for homeless children show.

THE WORSENING OF the economic situation in the city following the outbreak of Pacific hostilities was followed, inevitably, by the abandonment of many children on the streets by those unable to care for them. Institutions which down through the years had been able to care for all children whom the police had taken in, found themselves unable to take more. Their financial situation with a steeply rising cost of living and the difficulty of obtaining essential commodities in sufficient quantities precluded the enlargement of their responsibilities. The Division was therefore faced with the task of finding temporary care for the abandoned children and of evolving a general plan to deal with the issue. A camp which had been established in 1940 by the Salvation Army with the assistance of the Council to try to rehabilitate street beggars was used as the temporary place of shelter, and a programme of home finding with a staff of fifteen social workers was embarked upon.

"Home finding" had two aspects. It sought to trace the natural homes or the relatives of the abandoned children. By every conceivable device social workers tried to obtain a clue from them as to their former life. If a child had been lost, the reunion between the child and the parents if the latter could be traced was often a touching one. If the child had been abandoned, effort was made to solve the family problem in some other way, for at all costs that complete break with its own family must be avoided which must otherwise mean a lifetime of standing alone. It was not easy